



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony Insurance and Real Estate Committee February 7, 2017

Senate Bill No. 426 An Act Protecting Patients from Inappropriate Billing Practices.

House Bill No. 6436 An Act Concerning An Arbitration Process for Surprise Bills and Bills for Emergency Services.

Committee Chairs, Co-Chairs, Ranking Member, and Members of the Insurance and Real Estate Committee, the Insurance Department appreciates the opportunity to submit written testimony on **Senate Bill No. 426 An Act Protecting Patients from Inappropriate Billing Practices and House Bill No. 6436 An Act Concerning An Arbitration Process for Surprise Bills and Bills for Emergency Services.** Generally, S.B. 426 requires carriers to only charge a patient who received health care services from a health care provider at a hospital that is in-network a cost that is level with the in-network level of cost-sharing by all health care providers who provide services at such hospital and H.B. 5962 requires the Connecticut Insurance Department to operate an arbitration process by which a dispute over a bill for emergency services or a surprise bill for health care services rendered under certain circumstances may be resolved.

Last year, the Department was instrumental in its support of P.A. 16-205 regarding network adequacy. This legislation was based on the NAIC model, but changed slightly to accommodate for the requirements in P.A. 15-146 regarding surprise billing. This NAIC model was developed through a collaborative process with consumer, provider, and industry input. In the NAIC model, but not included in P.A. 16-205, is section 7. Section 7 covers billing for non-participating providers in participating facilities in both emergency and non-emergency situations and sets up a provider mediation process to discern appropriate billing amounts. The Department would like to lend its support to this legislation and request that these bills be drafted in line with section 7 of the NAIC model act on Health Benefit Plan Network Access and Adequacy of 2015. The Department is happy to be a partner and provide any technical assistance it can on this topic.

The Department's mission is to ensure consumers receive the coverage required under the law and in their contracts. The Department's Consumer Affairs Division stands ready to assist any consumer or provider who feels as though medically necessary treatment has not been covered appropriately and has been successful in recovering payment on behalf of insureds in many circumstances.

The Department thanks the members of the Insurance and Real Estate Committee for the opportunity to submit testimony in support of S.B. 426 and H.B. 6436 and looks forward to being part of the discussion should these bills move forward.

About the Connecticut Insurance Department: The mission of the Connecticut Insurance Department is to protect consumers through regulation of the industry, outreach, education and advocacy. The Department recovers an average of more than \$4 million yearly on behalf of consumers and regulates the industry by ensuring carriers adhere to state insurance laws and regulations and are financially solvent to pay claims. The Department's annual budget is funded through assessments from the insurance industry. For every dollar of direct expense, the Department brings in about \$7.45 to the state in revenues. Each year, the Department returns more than \$215 million in assessments, fees and penalties to the state's General Fund.